

## **FISCAL NOTE FOR NON-CAPITAL PROJECTS**

<b>Department:</b>	<b>Contact Person/Phone:</b>	<b>CBO Analyst/Phone:</b>
Planning and Development	Gordon Clowers/4-8375	Melissa Lawrie/4-5805

**Legislation Title:** An ordinance related to land use and zoning; amending page 25 of the Official Land Use Map, Seattle Municipal Code Chapter 23.32, to rezone properties located in the Greenwood/Phinney Ridge Residential Urban Village and applying incentive provisions for affordable housing within the rezone area, and amending Section 23.47A.013 of the Land Use Code.

**Summary of the Legislation:** This legislation would rezone a central portion of the Greenwood Residential Urban Village, near NW 85<sup>th</sup> Street and south of NW 87<sup>th</sup> Street. Several properties would be upzoned from Commercial 1 with a 40 foot height limit and Lowrise 2 Residential-Commercial to Neighborhood Commercial 2 or 3 with a 65 foot height limit. In addition, Pedestrian (P) zone designations would be applied to several properties along NW 85<sup>th</sup> Street and incentive zoning provisions would be implemented.

This legislation serves as a substitute for CB 117506, which was introduced and referred to the Council's Planning, Land Use, and Sustainability Committee on June 25, 2012. This legislation differs from CB 117506 in the following ways:

- It would not apply a P zone designation to the blockface along the south side of NW 85<sup>th</sup> Street, between 1<sup>st</sup> and 3<sup>rd</sup> Avenues NW, that is zoned Neighborhood Commercial 2 with a 40 foot height limit; and
- It would increase the maximum floor area ratio permitted on those same lots on the south side of NW 85<sup>th</sup> Street from 3.25 to 4.0 without changing the existing 40-foot height limit.

A memorandum that explains DPD's rationale for supporting these changes is attached to this fiscal note.

**Background:** This legislation responds to a request by members of the Greenwood community for a rezone that supports the objectives of the neighborhood plan for this area, including the application of new zoning that would encourage future mixed-use development. The scale of future development that could be developed under the rezone would be complementary to the existing core business district that is centered at NW 85<sup>th</sup> Street and Greenwood Avenue N, immediately east of the rezone site.

At the request of the City Council, DPD staff conducted outreach to solicit feedback from the broader Greenwood community on the proposed rezones. A six person stakeholder group

participated, including representatives from the Greenwood Community Council, another advisory group, and residents from the rezone areas. DPD also hosted a public open house at Phinney Ridge Lutheran Church on June 26, 2010, and mailed notice of the meeting to approximately 475 property owners within 300 feet of the proposed rezone area. The meeting was attended by approximately 120 people. DPD also collected public input via an online survey.

Please check one of the following:

- ☒ **This legislation does not have any financial implications.**
- ☐ **This legislation has financial implications.**

**Other Implications:**

**a) Does the legislation have indirect financial implications, or long-term implications?**

The proposed rezones would raise the height limits and otherwise change the zoning designations for several properties, which would increase the development capacity of the rezone area. This could generate additional property tax revenues as new development occurs on the rezoned lots. No negative financial implications are identified.

**b) What is the financial cost of not implementing the legislation?**

None identified.

**c) Does this legislation affect any departments besides the originating department?**

During the environmental review process for CB 117506, DPD prepared joint analyses with staff from other City departments (Transportation, Public Utilities, City Light, Parks, Police and Fire). These analyses generally confirmed that sufficient municipal services will be available to serve future development at the scale contemplated by CB 117506 and any remaining service gaps could be addressed by planned facility improvements, future service adjustments, or service extension improvements that would be funded by the applicants for future development permits. Provisions included in this legislation that did not appear in CB 117506 would slightly increase the development capacity of the blockface along the south side of NW 85<sup>th</sup> Street, between 1<sup>st</sup> and 3<sup>rd</sup> Avenues NW, but this increase remains within the approximate range of potential impacts to public services that was contemplated during the environmental review process.

Office of Housing staff would work with DPD to administer the City's incentive zoning program within the rezone area.

# City of Seattle

## Department of Planning and Development

Diane M. Sugimura, Director

**d) What are the possible alternatives to the legislation that could achieve the same or similar objectives?**

None; rezoning property within the City of Seattle requires City Council action via ordinance.

**e) Is a public hearing required for this legislation?**

Yes. A public hearing on CB 117506 was held on July 25, 2012. A public hearing on this ordinance is scheduled for March 14, 2013.

**f) Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**

Notices for the July 25, 2012, and March 14, 2013, public hearings were published in *The Daily Journal of Commerce* and *Land Use Information Bulletin* on June 25, 2012, and February 11, 2013, respectively.

**g) Does this legislation affect a piece of property?**

The legislation affects properties identified in Exhibit A of the ordinance.

**h) Other Issues:**

None anticipated.

**List attachments to the fiscal note below:** DPD Memorandum, dated February 14, 2013

February 14, 2013

To: Councilmember Richard Conlin, Chair  
Planning, Land Use and Sustainability (PLUS) Committee

From: Gordon Clowers, Senior Planner  
Mike Podowski, Manager

Re: Greenwood/Phinney Ridge Urban Village Rezone

In response to requests from property owners and support from community members within the affected area, DPD offers the following supplemental analysis. In light of new information, DPD supports amendments to the original proposal as follows:



- Do not include a Pedestrian (P) zone designation for the southern blockface along NW 85<sup>th</sup> Street between 1<sup>st</sup> and 3<sup>rd</sup> Avenues NW that is zoned Neighborhood Commercial 2-40; and
- Allow a minor increase in floor area of 0.75 floor area ratio (FAR) in this same area, without changing the existing 40-foot height limit.

### Unique Conditions

Portions of the half-block south of NW 85<sup>th</sup> Street between 1<sup>st</sup> and 3<sup>rd</sup> Avenues NW are affected by a number of unique factors that serve as a basis to amend the original proposal as summarized above:

1. These properties are in proximity of peat soils and high groundwater -- in some places within approximately 15 feet of soil depth, which would affect depth, cost and constructability of sub-surface parking, for example:
  - Past geotechnical studies indicate an approximate groundwater elevation that is ten feet below surface level on all properties potentially affected by this amendment (*Greenwood Subsurface Characterization Study, April 2004, Shannon & Wilson, Inc.*);
  - The combination of soil types and groundwater conditions present challenges and make garage construction economically infeasible for this scale of development in this location, which would force parking into the buildable area and therefore subject to the density limit.
2. A substandard-width alley at the rear of these properties has unusually variable topography that rises several feet above the street level of NW 85<sup>th</sup> Street, which presents a unique physical constraint for alley access to parking.
3. When combined with the above factors, the limited depth of the property (105 feet) is a further constraint because it limits the ability to effectively develop parking spaces, vehicular access lanes, street-front non-residential uses, and residential entrances (as would be required in a P zone);
4. Proximity of single-family homes directly south of the alley encourages retention of the existing 40-foot height limit, a further limiting factor for site development.

### P-Zone

Retaining the existing zoning without a P-designation is more appropriate here to allow for street-level uses on a constrained site. Under a P zone designation, a floor plan with the required 80% presence of non-residential uses along the street-level façade would be difficult to achieve if a building would also need to fit in a residential entrance, interior parking and a garage access point. These kinds of ground-floor space allocation design challenges would tend

to present a substantial practical barrier to infill development for properties on the south side of 85<sup>th</sup> Street between 1<sup>st</sup> and 3<sup>rd</sup> Aves NW.

DPD's original recommendation on the P-zone designation did not fully consider the unique site characteristics and the practical building design constraints created by the combination of nearby challenging soils, topographical conditions, and site dimensions, for that portion south of NW 85<sup>th</sup> Street and west of 1<sup>st</sup> Ave NW. Thus, a reasonable outcome would be to maintain the existing NC2-40 zone without the P designation. This conclusion is meant to update and replace the P-zone conclusions made at pages 22 and 24 in the April 2012 Director's Report.

### **Floor Area**

A maximum FAR of 4.0 is now proposed for mixed-use development, 0.75 FAR greater than the otherwise applicable density limit of 3.25 for mixed use development in the NC2-40 zone. The proposed additional FAR would facilitate development by providing more space (and associated building area) within the development "envelope" above grade to help address the difficult site constraints – proximity to the peat soils and high water table, combined with the limited depth of these properties and variable topography.

### **Conclusion**

The proposed minor changes to the original rezone proposal are tied to unique characteristics of the properties on the south side of NW 85<sup>th</sup> Street between 1<sup>st</sup> and 3rd Avenues NW. The changes to the rezone proposal are supported by the Greenwood Community Council, would encourage outcomes compatible with local land use patterns, and are consistent with the objectives of promoting mixed-use development and a vibrant activity center in Greenwood consistent with the neighborhood plan for the Greenwood/Phinney Ridge Urban Village.

Thank you for considering this supplemental information. We are available to answer any questions you may have.